

EXHIBIT 1

(Please see attached)

STATE OF NORTH CAROLINA
COUNTY OF GUILFORD

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
CIVIL ACTION NO: 14-CVS- 6156

NEW BREED, INC.,

Plaintiff,

v.

JAY S. FORD,

Defendant.

AFFIDAVIT OF
MIKE HOPKINS

Mike Hopkins, being first duly sworn, deposes and says:

1. I am over eighteen years of age and have personal knowledge of the facts stated herein, based on my own observations and experience and upon information provided to me in the regular course of the business of New Breed, Inc., as well as upon statements and information released and available to the public.

2. I have been employed by New Breed, a global third-party logistics services provider headquartered in High Point, North Carolina, for seven years. In my job as Senior Vice President for Verizon Reverse Operations, I oversee New Breed's repair and refurbishment operations, including its direct fulfillment services, for Verizon and other wireless communication providers. For most of his employment at New Breed, Jay Ford reported directly to me.

3. New Breed works with companies that want to outsource portions of their "supply chain" activities. In simple terms, the supply chain involves the movement of materials and services between their source and the end customer. New Breed designs, implements, and operates comprehensive supply chain solutions for government/defense agencies and industry

leaders, including the technology and wireless communication industries. New Breed's customers include, among others, Verizon Wireless, Avaya, Boeing, Nokia, Logitech, Disney, and United Technologies.

4. New Breed assists these companies with things like: Materials Management and Factory Support, which includes advanced planning, supplier/inbound management, sequencing, kitting, procurement, VMI, point-of-use delivery; Retail and e-Commerce Distribution, which includes omni-channel distribution, retailer compliance, cross dock networks, contact center, customization, web hosting, and transportation/delivery; Aftermarket Support, including product returns processing, refurbishment and repair, recycling & disposal, vendor/consumer warranty management, customer crediting, re-utilization, and technical product support; Critical Logistics, including national rapid response networks, product recovery and resale, inventory planning, contact center support, and specialized packaging; and Supply Chain Transformation, including, consulting, business analytics, advanced planning and forecasting, facility solutions design, testing/product improvement, network optimization and transportation management.

5. New Breed provides extensive, labor-intensive logistics services to wireless communication providers, including Verizon and Nokia. These operations — often referred to as “reverse logistics” because they involve the return of products from the end user — occur at New Breed's Fort Worth facility. For example, New Breed manages Verizon's North America return processes, in which it receives, tests, and coordinates the repair and refurbishment of returned wireless communication equipment. It also receives the repaired/refurbished devices from the repair channel, inspects to ensure the product meets the required standards and is clear of all customer content, and ships the replacement device direct to Verizon customers, at a rate of thousands of products each day.

6. New Breed has developed special and proprietary information systems that enable it to provide unique value-added logistics services to its wireless communication customers. For example, New Breed has developed systems for (1) capturing failure data on a specific device and/or model level with respect to the thousands of potentially defective mobile units that it receives each day and (2) collecting, analyzing, and applying that information during the device adjudication process to determine (i) warranty, functionality, and cosmetic condition and (ii) the optimal repair and refurbishment operations to reduce the cost of the reverse supply chain for New Breed's customers. New Breed also uses this data to forecast inventory based on historical product failures to reduce the cost of supporting the exchange device demand, which substantially reduces the overall supply chain costs for its customers.

7. In addition, New Breed uses its information systems to design the sorting, conveyance, cell, and workstation infrastructure and work flow required to support the overall work content in the reverse logistics processes centers. In doing so, New Breed is able to apply this data to increase productivity, reduce capital and labor costs, and maximize efficiency for the customer.

8. In its forward "Dfill" logistics operation, New Breed has developed a unique packaging and distribution process for returning finished products to the consumer. New Breed designed this proprietary "throughput process" to eliminate all shipping errors and the potential for issuing a device containing previous customer information. The process also increases the overall facility capacity, reduces cost, and increases efficiency.

9. New Breed's capabilities and use of its information systems as described above provide a competitive advantage for New Breed and its customers, and information regarding these systems and its information strategies is confidential and proprietary.

Jay Ford

10. Jay Ford was employed as New Breed's Director, Operations Support from August 2010 until he was promoted to Executive Director of Operations in the fall of 2013. In connection with his hiring, he entered into an Employment, Confidentiality and Non-Compete Agreement with New Breed on or around July 20, 2010. In connection with his promotion to Executive Director of Operations, he entered into an Employment, Confidentiality and Non-Compete Agreement with New Breed on or about October 21, 2013, a copy of which is attached hereto as Exhibit A.

11. As Director of Operations Support, Ford was responsible for all aspects of New Breed's direct fulfillment operations in Fort Worth, which involves receipt of repaired/refurbished devices, the inbound inspection and clearing of lots for use in the direct fulfillment operation, kitting, and shipping replacement units to end users. His responsibilities included overseeing operations; monitoring the facility's productivity, including the daily distribution of tens of thousands of products to consumers; managing a workforce that ranged from 400 to 700 employees; and interacting with New Breed customers. Ford reported directly to me in this role.

12. As Executive Director of Operations, Ford was in charge of a highly complex logistics operation. Ford was responsible for New Breed's reverse logistics testing center, including managing approximately 900 employees; overseeing the device adjudication process, which includes warranty determination, functional testing, cosmetic testing, and grading and evaluation of the equipment that consumers had returned; ensuring appropriate quality and program management; and communicating with New Breed's customers about their business objectives and needs.

13. In fulfilling his duties at New Breed, Ford became intimately familiar with the competitively valuable proprietary information systems described in Paragraphs 6-9, above.

14. Ford's duties extended to preparing business proposals for New Breed customers, including Nokia and Verizon. In addition, for most of his final year at New Breed, Ford ran two new repair programs for Nokia and Verizon. To prepare these proposals, to develop and implement these programs, and to fulfill his other responsibilities at New Breed, Ford obtained sensitive confidential information regarding Nokia and Verizon's business objectives and requirements.

15. During his employment at New Breed, Ford participated in weekly meetings with New Breed leaders who discussed confidential and proprietary information relating to New Breed's business, including the development or refinement of operational methods and processes, the productivity and efficiency of facilities, and the comparative tactical status of the Fort Worth facility to other New Breed operations. In fulfilling his responsibilities, Ford obtained additional confidential New Breed information, including the methods, processes, and equipment that New Breed employs to increase efficiency and reduce costs in its logistics services, particularly in its wireless communication distribution, repair, and refurbishment services. He likewise had access to operational and financial information regarding New Breed's Fort Worth logistics services.

16. Because of his key position in running the Fort Worth logistics operations, Ford attended the annual New Breed Business Summit for upper level management. Through these multiday meetings, which are held in North Carolina, Ford received information on the business, strategies, and objectives of all segments of New Breed's operations, including, for instance, its Aerospace, Government, and Commercial divisions. In addition, through these and other

meetings, Ford obtained information on the budgeting and operational plans of New Breed's forward and reverse logistics wireless communication divisions.

17. As part of his responsibilities at New Breed, Ford interacted extensively with New Breed customers. Ford was in daily communication with Verizon, and he was part of a select group of New Breed employees who participated in quarterly meetings at Verizon's New Jersey headquarters.

18. In short, Ford has extensive knowledge regarding New Breed's business methods, strategies, operational processes, and customers — information that a competitor could exploit to unfairly compete with New Breed.

19. In April, I learned that Ford intended to resign from New Breed to take a job at Ingram Micro Inc. ("Ingram"). It is my understanding that Ford indicated that he would stay at New Breed after being reminded of his noncompetition covenant and receiving a raise.

20. A few weeks later, Ford officially resigned from New Breed to take a job at Ingram. In discussing his new job, Ford told me that he would not be in violation of his noncompetition agreement because he would be working on creating a "playbook for mergers and acquisitions" for Ingram. I strongly suggested that he contact New Breed's general counsel to discuss his noncompetition obligations.

21. Ford resigned from New Breed effective on or around May 16, 2014. It is my understanding that he is currently working for Ingram.

Ingram's Competition with New Breed

22. Like New Breed, Ingram is a global third-party logistics provider. Ingram has been aggressively expanding its logistics services through the recent acquisition of multiple logistic services and refurbishment and repair companies.

23. According to its own public statements, Ingram is a direct competitor of New Breed in providing logistics services, particularly to the wireless communication and technology sectors. Its May 15, 2013 press release (found on Ingram's website at ingrammicro.com and attached hereto as Exhibit B) states: "Ingram Micro Mobility is a leading provider of device lifecycle services — with the ability to provide complete lifecycle capabilities from basic warehousing to software loading, order and accounts receivable management, end-user fulfillment, and reverse logistics, which includes services from repair to refurbishment and recycling of wireless devices."

24. New Breed and Ingram both operate wireless communication repair and refurbishment systems, through which they process, repair, and coordinate the return and overhaul of cellphone equipment. According to its SEC filings, relevant pages of which are attached hereto as Exhibit C, Ingram acquired Brightpoint, Inc., a "global leader in mobile device lifecycle services," in 2012. Brightpoint specializes in mobile phone repair, refurbishment, and reverse logistics.

25. I have been advised that Ford has been hired to work in Ingram's "Mobility" Division that offers supply chain services to mobile device suppliers. According to Ingram's website (ingrammicro.com) attached hereto as Exhibit D, "[t]he second half of the supply-chain optimization puzzle is product returns. Ingram Micro Mobility provides comprehensive reverse logistics support."

26. In its May 15, 2013 press release (Exhibit B), Ingram announced that it had opened a new mobile device repair facility in Costa Rica. The press release stated that "[t]he facility primarily serves Ingram Micro Mobility's partnership with a major U.S. mobile carrier, creating added capacity and efficiencies to support smartphone recovery operations."

27. In its April 23, 2014 press release (found on Ingram's website at ingrammicro.com and attached hereto as Exhibit E), Ingram announced that Ingram Micro Mobility had entered into a strategic source and integrated supply chain services agreement with a consortium of four of Verizon Wireless' largest national dealers. In Ingram's words, "Supplying critical wireless device lifecycle management services to this important and highly influential group within the Verizon Wireless channel reaffirms our role as a leading provider of global mobility services and solutions." These services include "supply chain management, strategic sourcing, device lifecycle management, logistics services, and reverse logistics and demand planning services."

28. It is my understanding that Ingram, like New Breed, conducts wireless repair and refurbishment operations through facilities in the Fort Worth area.

Enforcement of the Noncompetition Covenant

29. It is important to New Breed that the Ford complies with his obligation under his noncompetition agreement. As described above, New Breed and Ingram are direct competitors in providing logistics services to the wireless communication industry, and Ford has extensive, competitively valuable confidential information regarding New Breed and its customers, including Verizon.

30. Through employing Ford, Ingram will have immediate access to New Breed's expertise and information that it utilizes in providing logistics services, including repair and refurbishment services, to the wireless communication industry.

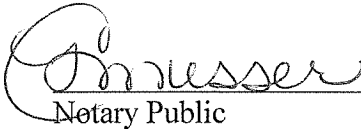
31. New Breed required Ford to sign the noncompetition covenant so that it could avoid the risk of him sharing or exploiting his knowledge of its confidential information with New Breed's competitors. If Ford is allowed to work with Ingram, New Breed could experience

significant and irreparable harm to its current operations and its ability to compete and obtain new business from customers in the wireless communication industry in the future.

This 30th day of May, 2014.


Mike Hopkins

Sworn to and subscribed before me, this 30th day of May, 2014.


Notary Public

My commission expires: 2-13-2016
(Official Seal)

